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September 15, 2016

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Meeting: WT Docket No. 08-7

Dear Ms. Dortch:

On September 13, 2016, Twilio Inc. ("Twilio") conducted an ex parte meeting with Wireless Bureau staff in the above-referenced proceeding.

The Commission staff attending included Joseph Coniglio, Michael Janson, Pramesh Jobanputra, Karen Sprung and Matthew Warner. Doug Gardner and I attended the meeting on behalf of Twilio and Michael Hazzard attended as Twilio's counsel.

Twilio continued to urge the Commission to grant Twilio's petition, WT Docket No. 08-7, citing precedents of the Commission taking action in order to preserve and protect consumer choice.

Commission action is especially critical in the absence of industry consensus or guidelines that would guarantee consumers receive the messages they want to receive.

The attached study finds that 9 out of 10 users "would like to talk to businesses using messaging" and that messaging is ranked as the number one channel US consumers want to use to engage with businesses.[1]

Unfortunately, this proceeding contains undisputed evidence that wireless carriers continue to block millions of consented messages each month, thereby thwarting the will of consumers and throttling the growth of innovative communication use cases.

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[1] *See* Twilio's Global Mobile Messaging Consumer Report 2016*, also attached as .pdf.*

Please let me know if you have any questions or need additional information.

Sincerely,

Emily Denadel Emery
Government Relations Manager
Twilio Inc.

UNDERSTAND HOW
CONSUMERS USE MESSAGING

GLOBAL MOBILE MESSAGING CONSUMER REPORT 2016

twilio

Every night, President Obama reads 10 letters that were sent to him by ordinary citizens. This is a Presidential tradition going back to Thomas Jefferson. Recently, the White House announced that you can now send a note to the President simply via a message, the same way you message your friends. The President and The White House want to meet the people where people are.

What started out as simple text exchanges have evolved into expressive and engaging conversations between people. Messaging apps have become the second home screen on consumers' phones today. The breadth, scale and depth of the ways people use messaging is unmatched by any other channel. We exchange more than 50 billion messages a day and the continuing explosive growth suggests that messaging will be a lasting phenomenon.

But, what does this mean for businesses? This report analyzes how consumers around the world use messaging to talk to businesses. The results: we found that 9 out of 10 users would like to talk to businesses using messaging.

So, is your business ready?

For this report, Twilio with Vanson Bourne asked 6,000 people in seven countries how they used messaging to talk to businesses. We collected this data by talking to 2,000 users in United States, 1,000 users in the United Kingdom and Germany, and 500 users in India, Japan, Singapore and South Korea each. We made sure we talked to an equal number of male and female users, split across five age groups ranging from 18 to 55+ years, to understand gender and age related preferences.

In this study, we defined mobile messaging as text messages sent from phones using SMS natively or using apps such as iMessage, Android Hangouts, or using messaging apps such as Facebook Messenger, WhatsApp, LINE, SnapChat, Kakaotalk and others.

Here is what we found.
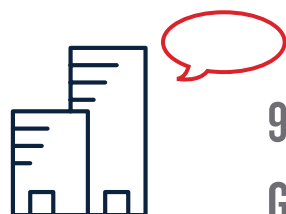
9 OUT OF 10 CONSUMERS GLOBALLY WANT USE MESSAGING TO TALK TO BUSINESSES. BUSINESSES AROUND THE GLOBE NEED TO MAKE MESSAGING A PRIORITY TO STAY CONNECTED WITH THEIR CUSTOMERS.

Messaging is ranked as the #1 channel consumers want to use to engage with businesses in majority of regions surveyed. Millennials choose messaging over email as the preferred method of engaging with a business. Messaging is also 3-8x more preferred than face to face communication across all generations.

Consumers' choice for messaging app is affected by age, geography and who they are messaging. Half of the consumers prefer using SMS (native, iMessage, Android) to message businesses. Therefore, brands looking to connect with customers over messaging should get started with native SMS.

Messaging is not just a one-way communication channel. More than eight in ten (85%) consumers would like to reply to a message from a businesses or engage in conversation.

When was the last time you called someone? Doesn't calling sometimes feel as odd as picking up a pen and paper to write letter compared to sending an email? In fact, even emails can feel a bit outdated. Messaging is how we communicate with each other today.
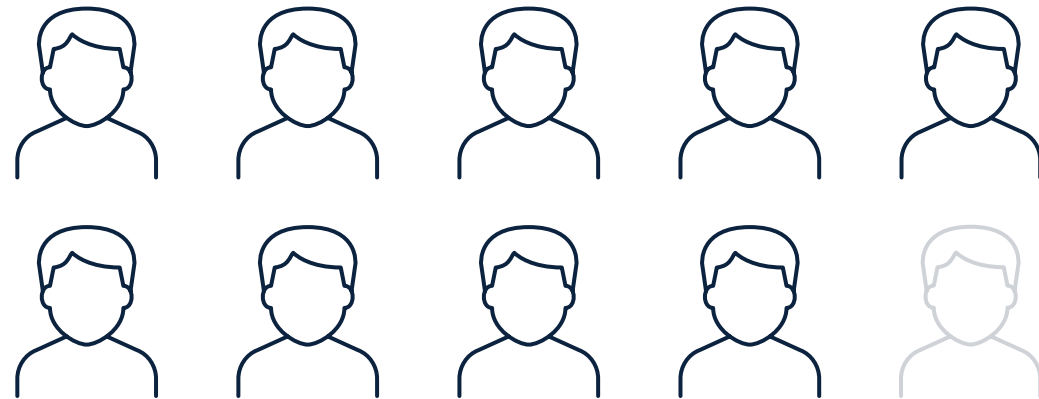
But messaging is not limited to personal communication. Increasingly, customers want to communicate with businesses using messaging. It's quick and easy to text back a confirmation to an appointment reminder, and it's reassuring to receive a notification saying your food delivery is on its way. In most cases, phone calls take too long, and emails go unread. When it comes to communication convenience, there is usually nothing better than a mobile message.

But most businesses continue to reach people over the phone and email when consumers want to communicate via text messages via SMS, in-app chat, push notifications, and messaging apps.

BUSINESSES

PEOPLE

| Face to face | Mail | Phone | Email | Text | Social SMS | Video/Voice Chat |
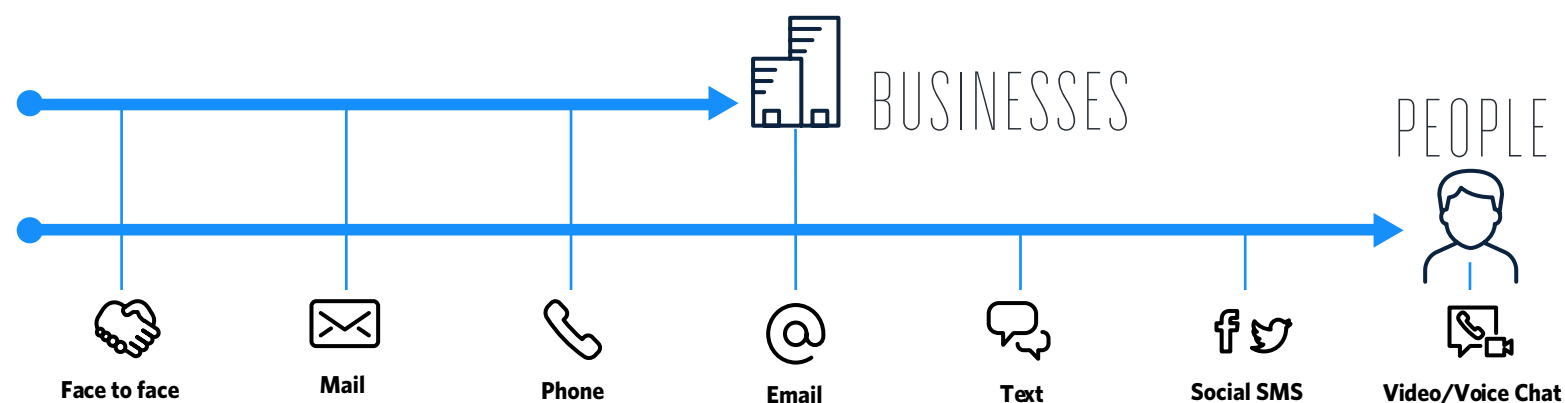
9 OUT OF 10 CONSUMERS WANT TO USE MESSAGING

89% of consumers we talked to would like to use messaging to communicate with businesses.
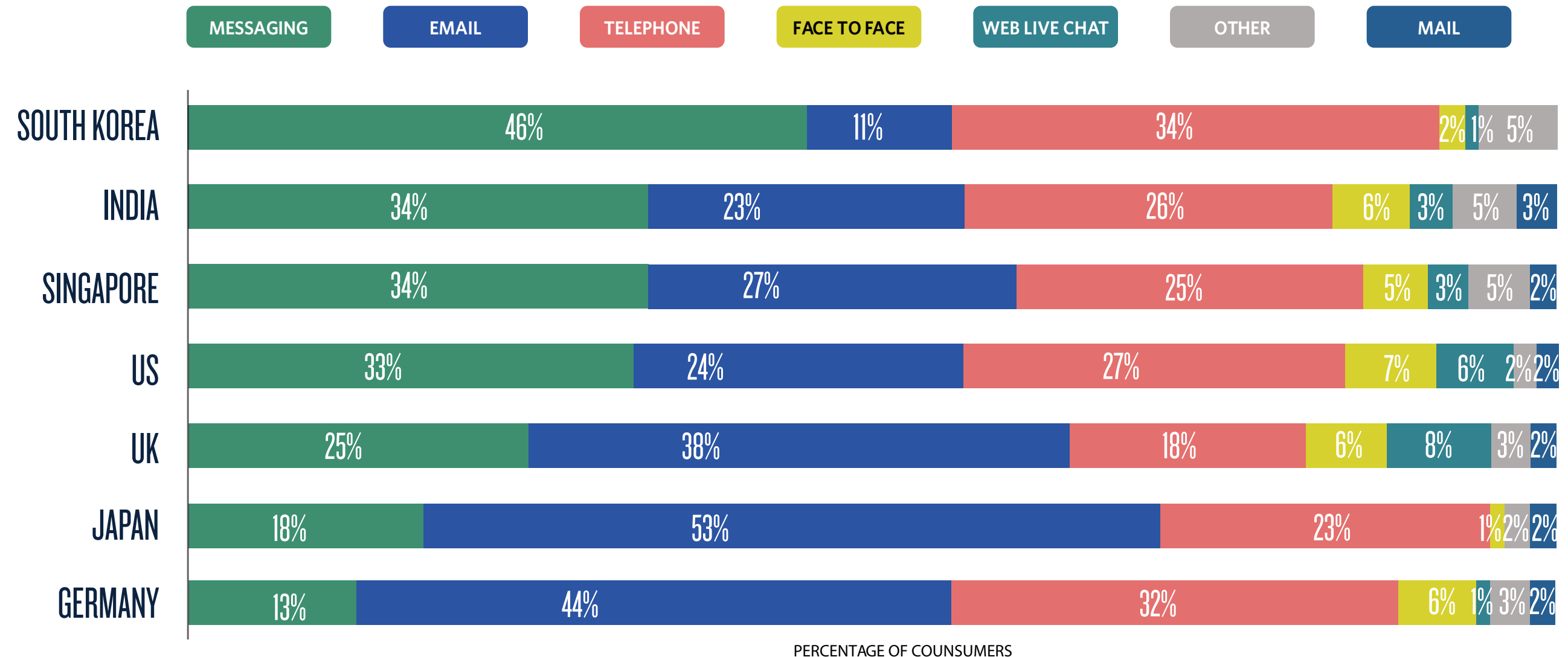
But only **48%** of businesses are equipped to connect with customers through a message.

*Source: Dimension Data's 2016 Global Contact Centre Benchmarking Report, © Dimension Data 2013-2016
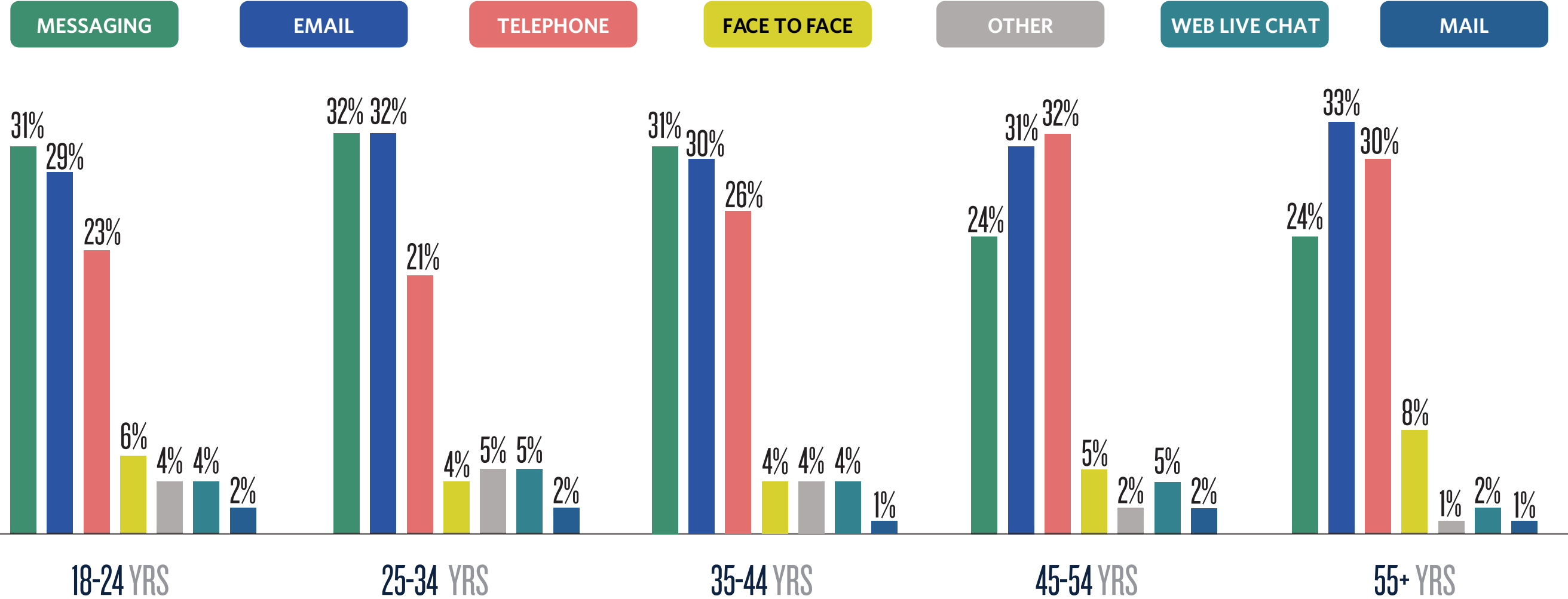
#1 PREFERRED CHANNEL FOR CUSTOMER SERVICE

We found that messaging is ranked the #1 customer service channel preferred by consumers in South Korea, Singapore, India and United States, and among top 3 preferred channels around the world.

MESSAGING   **EMAIL**   **TELEPHONE**   **FACE TO FACE**   **WEB LIVE CHAT**   **OTHER**   **MAIL**

	Messaging	Email	Telephone	Face to Face	Web Live Chat	Other	Mail
SOUTH KOREA	46%	11%	34%	2%	1%	5%	
INDIA	34%	23%	26%	6%	3%	5%	3%
SINGAPORE	34%	27%	25%	5%	3%	5%	2%
US	33%	24%	27%	7%	6%	2%	2%
UK	25%	38%	18%	6%	8%	3%	2%
JAPAN	18%	53%	23%	1%	2%	2%	
GERMANY	13%	44%	32%	6%	1%	3%	2%

PERCENTAGE OF COUNSUMERS

When you look across different age groups, the picture shifts in the preferred customer service channel. Millennials, in particular, don't want to call your 1-800 number and wade through a lengthy menu of choices. They don't check their email every hour or even every day. They are used to getting message notifications. Millennials and Gen X are increasingly choosing messaging over other channels of customer service.

| MESSAGING | EMAIL | TELEPHONE | FACE TO FACE | OTHER | WEB LIVE CHAT | MAIL |

18-24 YRS
- 31%
- 29%
- 23%
- 6%
- 4%
- 4%
- 2%

25-34 YRS
- 32%
- 32%
- 21%
- 4%
- 5%
- 5%
- 2%

35-44 YRS
- 31%
- 30%
- 26%
- 4%
- 4%
- 4%
- 1%

45-54 YRS
- 24%
- 31%
- 32%
- 5%
- 2%
- 5%
- 2%

55+ YRS
- 24%
- 33%
- 30%
- 8%
- 1%
- 2%
- 1%

Today, two thirds of the consumers around the world use phones to message each other and businesses. Phones are always available, always connected. So, it is not surprising that mobile messaging has become the predominant way to exchange information.
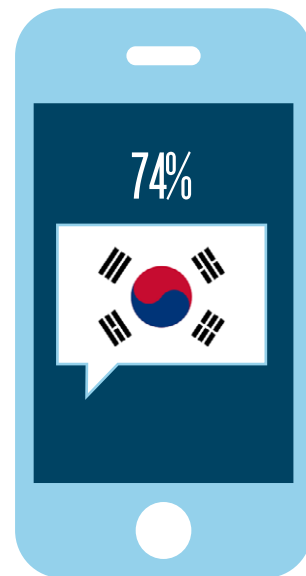
% OF CONSUMERS

66% MOBILE PHONE

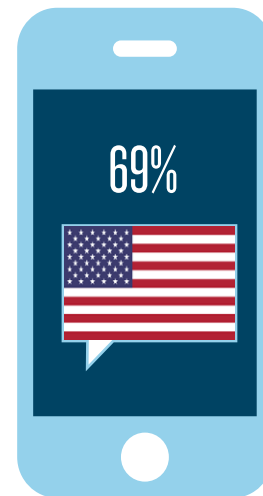15% LAPTOP

11% DESKTOP

8% TABLET

PRIMARY MESSAGING DEVICE
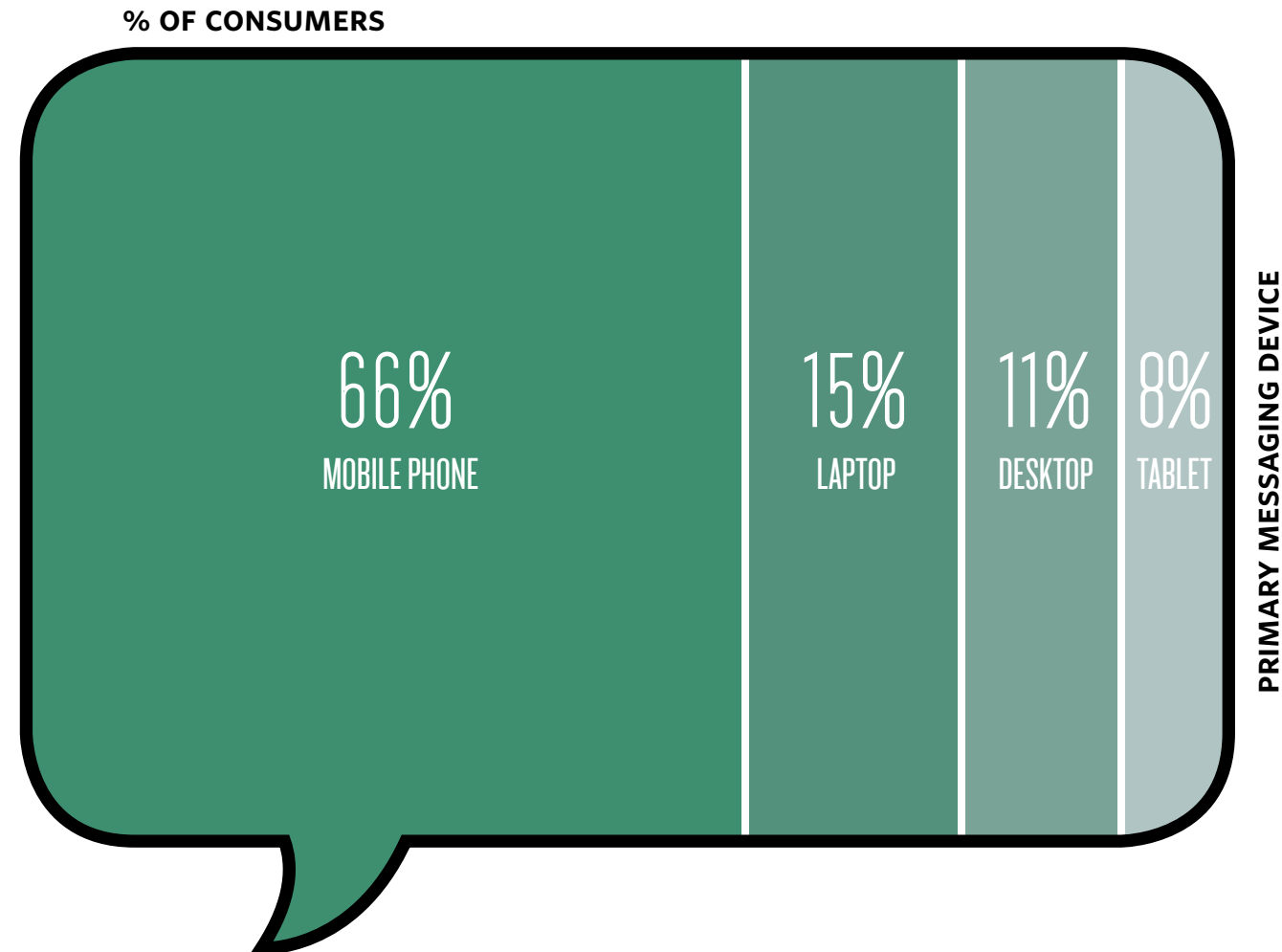
PHONES ARE THE PRIMARY MESSAGING DEVICE

% of messages sent from phones compared to desktops, laptops or tablets.
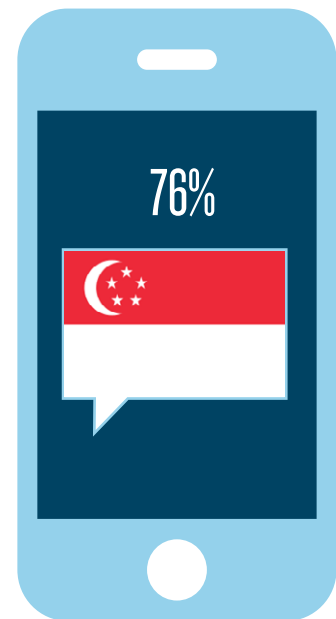
SINGAPORE	SOUTH KOREA	US	UK	INDIA	GERMANY	JAPAN
76%	74%	69%	65%	62%	60%	53%

NO MATTER WHAT PART OF WORLD YOU ARE IN.

1.5 billion smartphones were shipped in 2015 — each one capable of sending an SMS natively. On top of that, popular messaging apps such as WhatsApp, Facebook Messenger, LINE, Snapchat and others are easy to download so consumers can start texting right away. Today, messaging is already larger than social media, with 3 billion users worldwide compared to 2.5 billion users for social media. Messaging has also allowed users who don't have a smartphone or access to a computer a way to communicate, making messaging a more universal channel than email.

WE FOUND THAT AN AVERAGE CONSUMER

3 has 3 messaging apps on their phone's home screen

3 uses 3 different messaging apps per week

3 sends 3 messages per hour

7 REASONS WHY MOBILE MESSAGING WORKS

1 **IT'S ASYNCHRONOUS.**
Both parties don't need to be available at the same time, unlike with phone or video chat.

2 **IT'S THREADED.**
One of the most compelling aspects of messaging is the context and continuity of a long-lived conversation.

3 **IT'S A LIST OF CONVERSATIONS.**
The list is quite simple—the conversation that had the most recent activity (inbound or outbound) is also the one that you're most likely to hop back into, so it's up at the top.

4 **IT'S EASY.**
Most messages can be quickly read from a lock screen notification (or from a watch!) and immediately understood.

5 **IT'S INFORMAL.**
There's no need for subject lines, intros, or signatures. Messaging is about keeping it to the point. Tap it out, done.

6 **IT'S ALWAYS WITH YOU.**
Every phone ships with a messaging app that can handle SMS at a minimum. Convenience always wins when it comes to communicating.
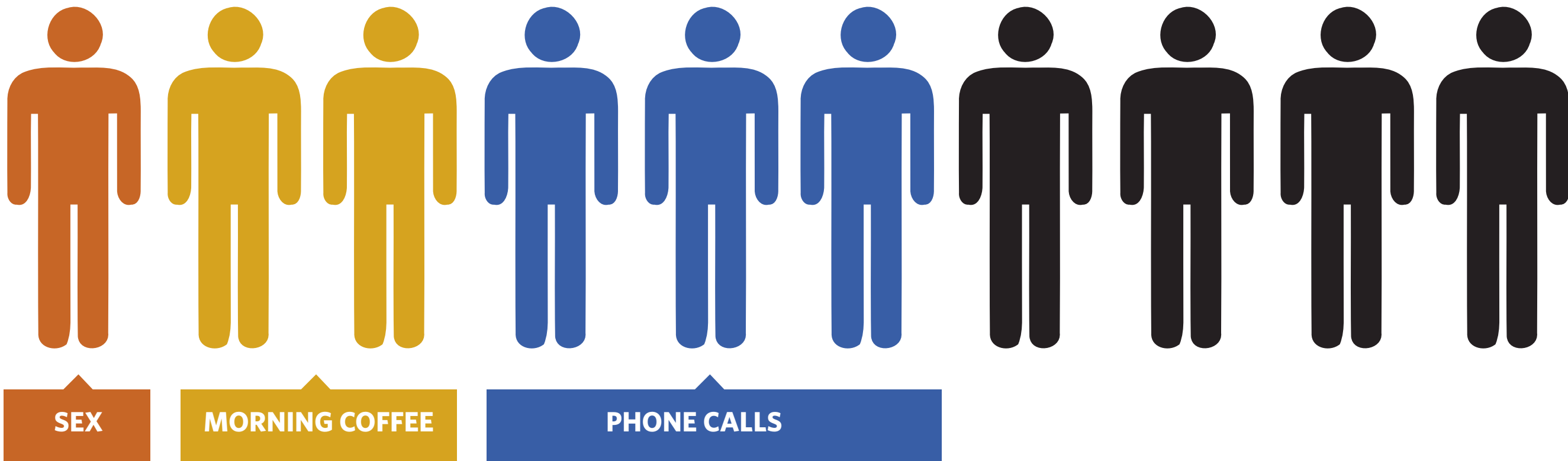
7 **IT'S EXPRESSIVE.**
Whether it's a well-worded note, animated gif, emoji, or video attachment, messages can say a lot. A read message that goes unreplied can say even more.

THINGS CONSUMERS WOULD GIVE UP TO USE MESSAGING

SEX
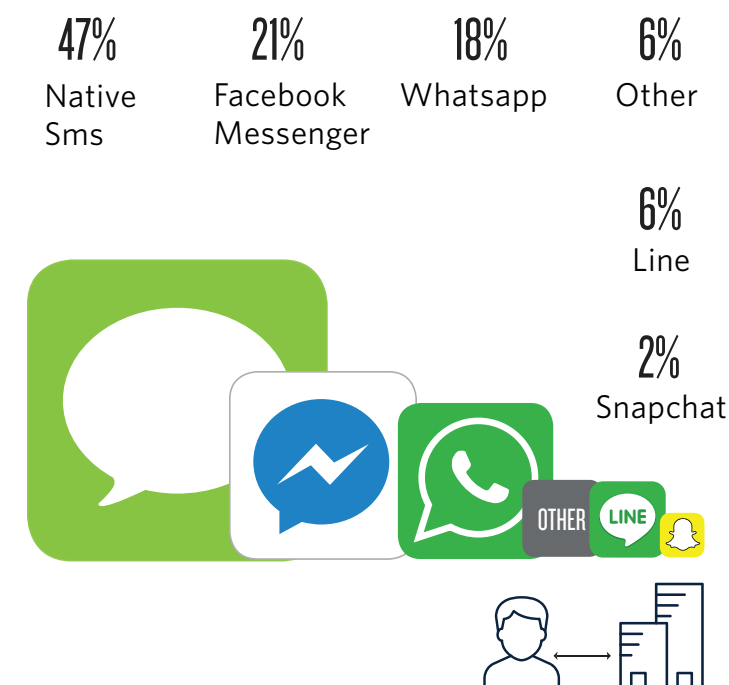
MORNING COFFEE

PHONE CALLS

Consumers prefer different apps to message their friends or family than businesses. Network effect plays a key role in use of an app within a region or age group. Consumers prefer using messaging apps where their network of contacts already exists. This bias does not apply when it comes to messaging businesses. Your customers don't message your businesses socially and frequently as they message their friends or family. They only message or receive message when needed. The diversity in use of messaging apps makes native SMS (including iMessage and Android) the lowest common denominator to message businesses.

In fact, half of the consumers prefer using native SMS apps to message businesses.

APP PREFERENCE FOR MESSAGING FRIENDS/FAMILY

34% Native Sms

31% Whatsapp

20% Facebook Messenger

7% Other

5% Line

3% Snapchat
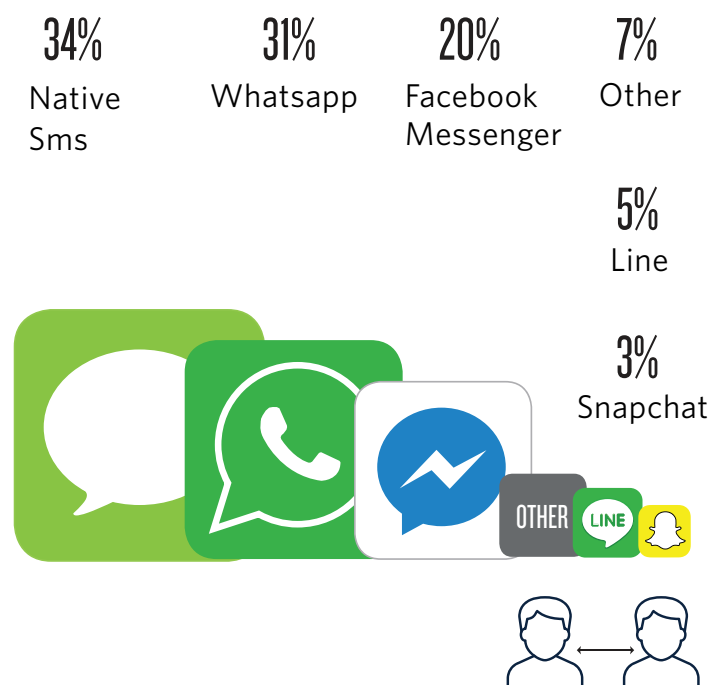
APP PREFERENCE FOR MESSAGING BUSINESSES

47% Native Sms

21% Facebook Messenger

18% Whatsapp

6% Other

6% Line

2% Snapchat

Getting users opted-in for notifications is a crucial success driver for delivering your message. But many consumers opt-out or turn off app notifications to avoid what they think will be a spam-like messaging.

Some apps or app categories have an easier time getting users to keep notifications turned on. Recent data from Kahuna shows that for social apps, about 60% of users turn off push notifications. For ride sharing apps, a only 20% opt-out*.

For messaging, we found that only 6% of consumers opt-out of receiving notifications from any messaging app. The average global opt-in rate for messaging apps is 77%.
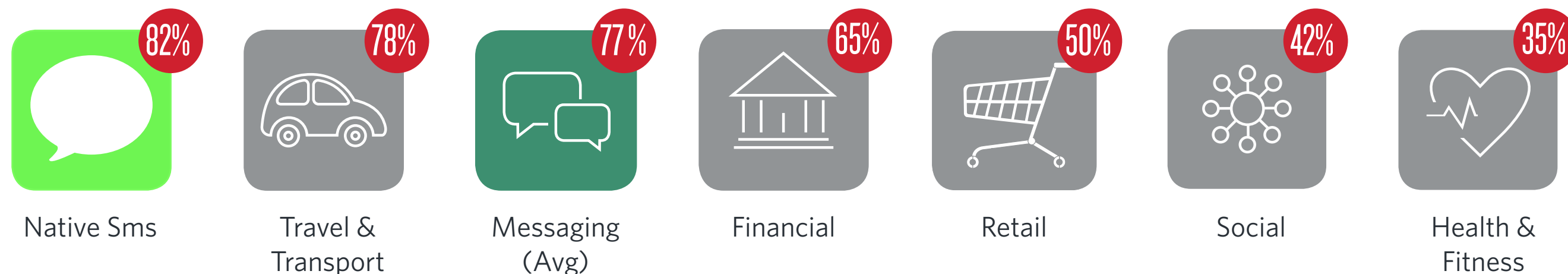
We found that the most used app, within a country, has a higher opt-in rate compared to others. For example, WhatsApp is the most popular app in Singapore. 95% of WhatApp users in Singapore have notifications turned on. Only 2% of the consumers there use LINE of which only 66% have notifications opt-in.

By comparison, a large percentage of consumers in Japan use LINE, of which 93% have notifications turned on. Only 1% of the consumers in Japan use WhatsApp, of which only 52% have notifications opt-in.

MOST CUSTOMERS KEEP NOTIFICATIONS ON FOR MESSAGING APPS

SMS (native, iMessage and Android) has a high opt-in rate in general across all the regions: 86% in US, 82% in Europe and 77% in Asia, respectively.

82%	**78%**	**77%**	**65%**	**50%**	**42%**	**35%**
Native Sms	Travel & Transport	Messaging (Avg)	Financial	Retail	Social	Health & Fitness

% of consumers that turn on notification

*Source: Kahuna Mobile Marketing Index

Consumers find messaging to be a convenient, familiar and immediate channel of communication. These attributes are reflected in the reasons why consumers want to use messaging to talk to businesses. Messaging use cases range from urgent notifications such delivery status or service delays to in-time messages such as order confirmations or appointment reminders, delivering information conveniently. Consumers also find it messaging a great channel to learn about new products, services and services, provide feedback or get support. We also see a universal trend for what consumers do not want to use messaging for.
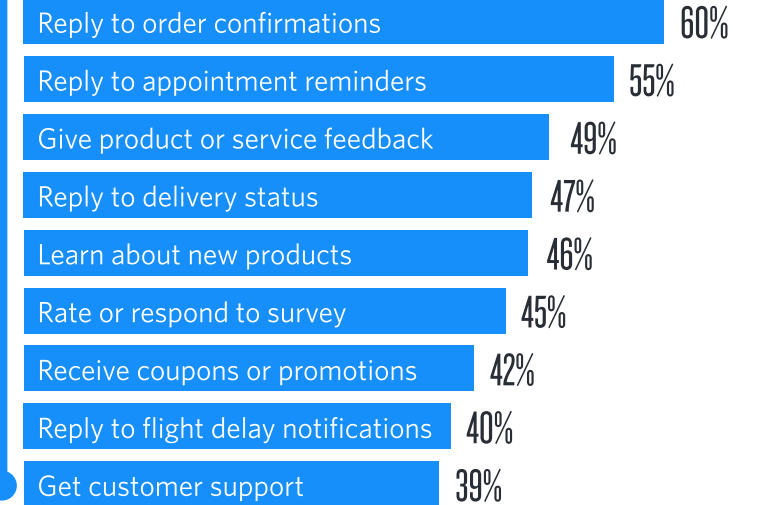
Messaging is not a one-way communication channel. More than 8 out of 10 (85%) of consumers not only want to be able to receive information but also reply to businesses or engage in a conversation.

CONSUMERS WANT TO USE MESSAGING TO:

Reply to order confirmations	60%
Reply to appointment reminders	55%
Give product or service feedback	49%
Reply to delivery status	47%
Learn about new products	46%
Rate or respond to survey	45%
Receive coupons or promotions	42%
Reply to flight delay notifications	40%
Get customer support	39%

CONSUMERS DO NOT WANT TO USE MESSAGING TO:

63%	Provide bank details
80%	Apply or resign from a job
85%	Fire someone or get fired

We have built a blueprint to help you craft an effective mobile messaging strategy for your business. This Blueprint for Mobile Messaging offers a framework based on what we've learned from our customers like Uber, Airbnb, and Nordstrom. It's your map to building a better customer experience.
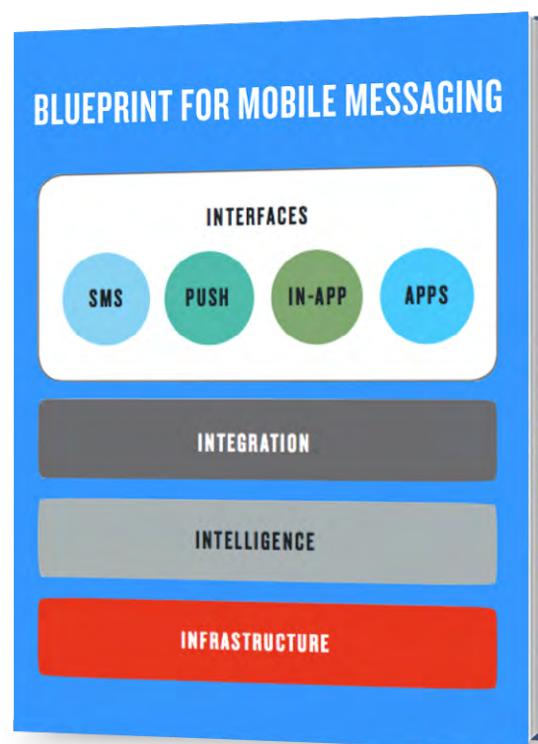
Know your messaging INTERFACES

You have many messaging technologies to choose from - SMS, push notifications, in-app chat and messaging apps. Select one based on what you are trying to communicate and your customers' preference.

Formulate your messaging INTEGRATION

Add customer, order or issue information from CRM, ERP, and other business systems to bring context to your communications.

Boost your messaging INTELLIGENCE

Add intelligence to help you to engage with larger numbers of customers efficiently, without sacrificing the quality of the user experience.
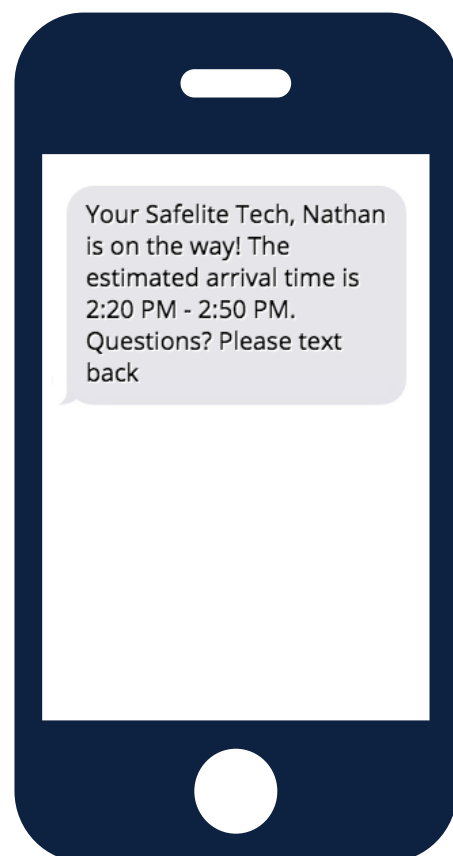
Build your messaging INFRASTRUCTURE

Adopt a building block approach to get global reach, delivery intelligence, and reliability over both IP and carrier networks, all with minimal development effort.
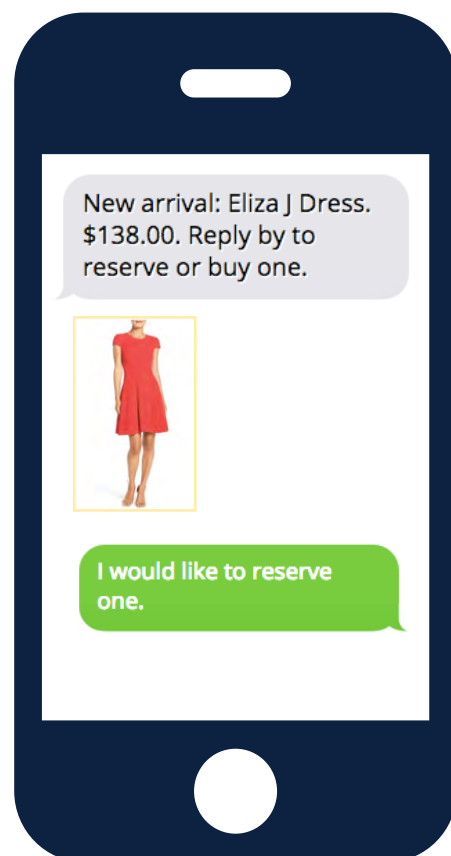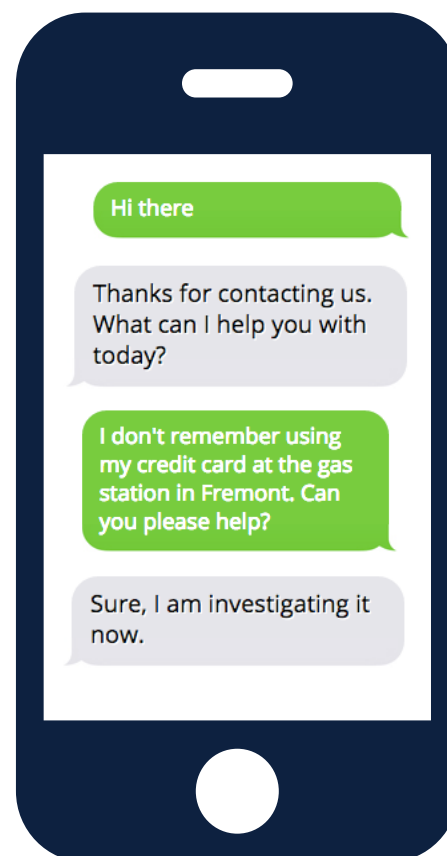
5 WAYS FOR BUSINESSES TO GET STARTED
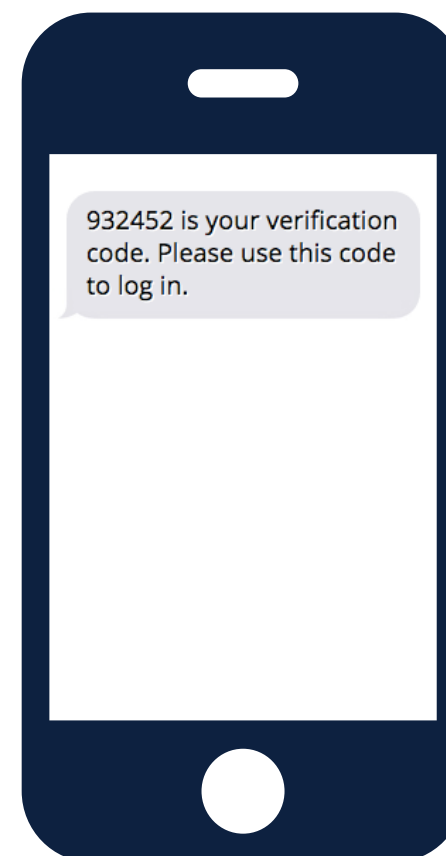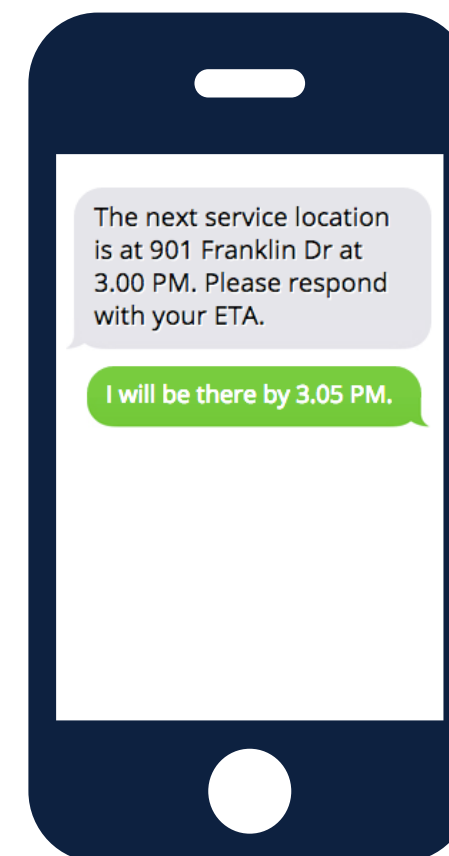
COMMERCE NOTIFICATIONS

Your Safelite Tech, Nathan is on the way! The estimated arrival time is 2:20 PM - 2:50 PM. Questions? Please text back

SALES & MARKETING

New arrival: Eliza J Dress. $138.00. Reply by to reserve or buy one.

I would like to reserve one.

CUSTOMER SERVICE

Hi there

Thanks for contacting us. What can I help you with today?

I don't remember using my credit card at the gas station in Fremont. Can you please help?

Sure, I am investigating it now.

ACCESS SECURITY

932452 is your verification code. Please use this code to log in.

PEOPLE COORDINATION

The next service location is at 901 Franklin Dr at 3.00 PM. Please respond with your ETA.

I will be there by 3.05 PM.